

Major General (R) Al Hopkins
Chairman

Jerry Griffith
Commissioner

Tom Gresham
Commissioner



Allen Godfrey
Executive Director

MISSISSIPPI GAMING COMMISSION
Post Office Box 23577
Jackson, Mississippi 39225-3577
(601) 576-3800

COMPLIANCE REVIEW FINDINGS

Stacey E. Pickering, State Auditor
Office of the State Auditor
State of Mississippi
P. O. Box 956
Jackson, MS 39205-0956

May 2, 2017

Dear Mr. Pickering:

Below you will find the recent Compliance Review Findings for the Mississippi Gaming Commission (MGC) and the Corrective Action Plans for each. The Audit was conducted in our office for four weeks during the months of March and April 2017.

AUDIT FINDINGS:

2016-01 Strengthen Controls over Compensated Absences

Response:

The MGC concurs with this finding. The paper timesheet and leave slip were correct, this was simply an error. The employee in question works ten hour days. Eight hours were incorrectly entered on the wrong line in SPAHRS. Two hours of medical time used that day were entered correctly. The eight hours have been changed to reflect eight hours of personal time used instead of eight hours worked. The employee and her supervisor have been notified of the error and correction.

Corrective Action Plan:

- A. Each month, after the data entry in SPAHRS is completed, a monthly printout of all employee's leave balances will be forwarded to each Division Director for his related division. The Division Director will then review the hours earned and hours used for each employee. The MGC feels that this will insert an extra level of double checking for errors prior to a finalization of the monthly payroll.

2016-02 Ensure Compliance with State Laws over Procurement Card Purchases

Response:

The MGC concurs with this finding. The purchase was through Amazon.com. We did not realize that Amazon.com had sold us these chairs through a third party, Bizchair.com. Bizchair.com charged sales tax. We have since submitted proper forms to Bizchair.com and have received a refund for the sales tax. Amazon.com now also recognizes our tax exempt status.

Corrective Action Plan:

- A. The MGC has implemented an extra level of review on all procurement card purchases prior to any invoice being paid. Our purchasing agent will prepare the UMB invoice with each corresponding receipt. The lead accountant will verify each receipt. The Administrative Services Director will then approve for payment. After those steps are complete, the accounts payable accountant will enter the invoice into MAGIC for payment. MAGIC then requires the Administrative Services Director to approve the invoice for final payment. We feel confident with these four employees reviewing each receipt, an error such as the one above should be eliminated.

2016-03 Ensure Compliance with State Purchasing Laws

Response:

The contractual services in question occurred with the same three companies on both the purchase order and date findings. MGC concurs with the findings on two of the companies. We had a miscommunication with the MGC Gaming Lab and Work Permits divisions. The invoices were inadvertently sent from the vendor directly to those divisions instead of the business office. This resulted in payment being made after thirty days. We will work to see that this is corrected and both purchase orders and payables issues such as this will not happen in the future.

The MGC concurs with the finding on the third company; however, we feel it was out of our control. For many months the Company did not issue a consolidated bill. Each machine invoice was issued separately. We could not get this resolved with the Company. In this case, the address on the invoice was different from the address listed with the MAGIC vendor number. DFA will not allow an invoice to be paid until the address is corrected. It took a lot of time and effort to get these billing problems resolved. Also when an edit to a purchase order in MAGIC takes place, the edit date becomes the primary date – not the original date of purchase order entry. We feel that accounts for the purchase order date findings.

Corrective Action Plan:

- A. The purchasing and payables employees have been counseled on the importance of following up with outstanding issues not resolved in a timely manner. They were also counseled on the importance of following up with all open purchase orders. The lead accountant has begun running weekly MAGIC reports of open purchase orders. She then goes over each one with the purchasing employee looking for any issues to trouble shoot.

As we discussed at the exit conference in our office on April 26, 2017, it was a pleasure working with your auditors. They were professional and straightforward yet most pleasant to work with.

Should you have further questions or need further information, do not hesitate to contact me or Shelly LeGrand.

Sincerely,

A handwritten signature in cursive script that reads "Allen Godfrey". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

Allen Godfrey
Executive Director